

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No: 2009-22506  
Issue No: 1018  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 10, 2009  
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on September 10, 2009. The claimant personally appeared and provided testimony, along with her brother-in-law, [REDACTED].

ISSUES

1. Did the department properly determine the claimant had excess income for the Family Independence Program (FIP) in April, 2009?
2. Did the department properly budget the claimant's Food Assistance Program (FAP) benefits in April, 2009?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. The claimant submitted an application for FIP, FAP and MA on February 13, 2009.

2. The claimant called the department on February 16, 2009 and reported that she was starting to work for A+ Nursing the following Monday and would be working 24 hours per week. (Department Exhibit 1).

3. Michigan Works completed a placement report that indicated the claimant was working for [REDACTED] at [REDACTED] per hour starting on February 23, 2009. (Department Exhibit 2).

4. The department completed a FIP budget for the claimant. The budget showed that the claimant had excess income to receive FIP assistance. (Department Exhibit 10 – 11).

5. The department completed a FAP budget for the claimant. The claimant was approved for FAP benefits in the amount of \$374.00 per month. (Department Exhibit 4 – 6).

#### CONCLUSIONS OF LAW

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services (DHS or department) administers the FIP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3101-3131. The FIP program replaced the Aid to Dependent Children (ADC) program effective October 1, 1996. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges

Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Department policy indicates:

### **DEPARTMENT PHILOSOPHY**

The Department's income budgeting policies are designed to support financial self-sufficiency by encouraging families to pursue all available means of income. We offer deductions from earned income so that families are financially advantaged by working. Staff should stress to clients the advantages of obtaining outside income. BEM, Item 518, p. 1.

### **DEPARTMENT POLICY**

#### **FIP and SDA Only**

Financial need must exist to receive benefits. Financial need exists when the eligible group passes both the "**Deficit Test**" and the "**Child Support Income Test**". To perform the deficit test, subtract the **program group's** budgetable income from the **eligible group's** Payment Standard (BEM, Item 515) for the benefit month. To meet the Child Support Income Test, the FIP group's countable income plus the amount of certified support (or amount of support to be certified) must be less than the eligible group's payment standard. BEM, Item 518, p. 1.

Countable income is defined in BEM 500. Available income, the amount of income to budget and when to complete a budget are defined in BEM 505. Use this item to determine the program group's budgetable income and financial eligibility. BEM, Item 518, p. 1.

### **FINANCIAL NEED**

#### **FIP and SDA Only**

Financial need exists if:

- . there is at least a \$1 deficit after income is budgeted, **and**
- . the group passes the Child Support Income Test.

**Exception:** A child support income test is not required for SDA groups. BEM, Item 518, p. 2.

If the group fails either test, the group is ineligible for assistance. Deny the application or close the case for the benefit month unless the group meets the conditions for Temporary Ineligibility of Extended FIP.

At application, if the group is ineligible due to excess income but a change is expected for the next benefit month, process the second month's benefit determination. If eligible, do not deny the application. BEM, Item 518, p. 2.

### **Deficit Test**

#### **FIP and SDA Only**

Compare the program group's budgetable income for the income month to the eligible group's payment standard for the benefit month. The group is ineligible for the benefit month if no deficit exists. BEM, Item 518, p. 2.

### **PROSPECTIVE BUDGETING/INCOME CHANGE PROCESSING**

#### **DEPARTMENT PHILOSOPHY**

A group's benefits for a month are based, in part, on a prospective income determination. A "best estimate" of income expected to be received by the group during a specific month is determined and used in the budget computation.

Get input from the client whenever possible to establish this "best estimate" amount. The client's understanding of how income is estimated reinforces reporting requirements and makes the client an active partner in the financial determination process. BEM, Item 505, p. 1.

A group's financial eligibility and monthly benefit amount are determined using:

- . actual income (income that was already received), and/or
- . prospected income amounts (not received but expected).

Only countable income is included in the determination (see BEM 500).

Each source of income is converted to a standard monthly amount, unless a full month's income will not be received (see Standard Monthly Amount in this item). BEM, Item 505, p. 1.

#### Starting Income

For starting income, use the best available information to prospect income for the benefit month. This may be based on expected work hours times the rate of pay. Or if payments from the new source have been received, use them in the budget for future months if they accurately reflect future income.

If the payment is not hourly, use information from the source (e.g., from the employer on the DHS-38), along with information from the client, and/or any checks the client may already have received to determine the prospective amount.

For starting self-employment income, determine the **monthly** gross income to budget based on discussion with the client of what he/she expects to receive on average per month. BEM, Item 505, pp. 6-7.

Department policy requires the department to prospect income when a job is started.

BEM 505. Policy requires the department to use “the best information available” to prospect the income. BEM 505. In this case, the claimant called the department and informed them she would be working 24 hours per week. Michigan Works completed a placement report that indicated the claimant would be working 26 hours per week at \$7.40 per hour. This was the best information available and the department properly used it to budget the claimant's FIP and FAP case.

The claimant testified that her hours dropped after she started working as a home health aide. The claimant testified that she worked 24 – 29 hours each week for about the first four weeks, but that after that she was only working 6 – 8 hours and then wasn't getting any hours. However, this was a change that the claimant needed to report to the department to allow the department to change the employment hours for budgeting purposes. The department budgeted the claimant's case according to policy by prospecting the income from the information received.

It is noted that the claimant was advised that any substantial change in hours or employment earnings should be reported to the department to allow them to rebudget the claimant's case. The claimant was informed that she may well qualify for FIP assistance now and should reapply. The claimant was also informed that her FAP assistance would vary depending upon her earnings, so she needed to report changes such as hours and earnings to the department.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly budgeted the claimant's FIP and FAP benefits by prospecting the income according to policy.

1. The department properly determined the claimant had excess income at the time the FIP budget was completed and properly denied the claimant's FIP application.
2. The department properly determined the claimant's income for the FAP benefits by prospecting the income, using the information received from the claimant and from Michigan Works.

Accordingly, the department's actions are UPHELD. SO ORDERED.

/s/  
Suzanne L. Keegstra  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: October 28, 2009

Date Mailed: October 29, 2009

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

SLK 

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